

# OIG NEWS RELEASE



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## **IG Brown Announces \$840,000 Settlement with N. J. Hospital**

June Gibbs Brown, Inspector General of the Department of Health and Human Services, today announced an \$840,000 settlement with Deborah Heart and Lung Center of Browns Mills, NJ, which earlier voluntarily disclosed to authorities that for a period of two years it had overbilled Medicare, the Federal health care program for the elderly.

The settlement was negotiated after Deborah Heart and Lung Center took advantage of the Office of Inspector General's (OIG) voluntary disclosure program to self-report the improper billings and resolve its liabilities to the government. Deborah was one of the first Medicare health care providers to use the pilot program, which was implemented to encourage and facilitate provider self-disclosure of fraudulent conduct affecting Medicare, Medicaid, and other Federal health care programs.

Deborah disclosed to the OIG that during 1994-95, it had overbilled the Medicare program and reported that the inflated claims were generated by its Cardiac Catheterization, Electrophysiology Studies and Medicine/Cardiology departments. The settlement agreement states that Deborah does not admit that its actions violated the law.

As part of the voluntary disclosure settlement, the government refrained from seeking treble damages and other penalties, which would otherwise be possible remedies in cases where false Medicare and other claims for payment are made to the United States, according to Faith Hochberg, U.S. Attorney for the District of New Jersey, who, with Assistant U.S. Attorney Michael A Chagares, was involved in the settlement negotiations.

In addition to the \$840,000 settlement amount, Deborah agreed to enter into a comprehensive Corporate Integrity Agreement with the government. The agreement states that Deborah and its officers and employees will maintain the business integrity required of a participant in Medicare and other federal health care programs. The Corporate Integrity Agreement requires Deborah to perform annual audits, develop and institute a corporate integrity policy and an educational program, create a corporate compliance committee and provide periodic progress reports to the government.

“This voluntary settlement is in the best interests of both Deborah and the United States,” Hochberg said. “The Medicare program receives the reimbursement that is owed, while the agreement refrains from imposing harsh sanctions on an excellent medical institution. We applaud Deborah for taking responsibility for its actions and strongly encourage others to consider the same approach.”

Inspector General Brown, in saluting Deborah’s action in voluntarily reporting the overbillings, announced that she is issuing today new guidance for the voluntary disclosure program, called “Provider Self-disclosure Protocol.” It is an expanded and simplified version of the pilot program tested by the OIG over a two-year period. The Protocol is to be published in the Federal Register and posted on the OIG Web Site ([www.hhs.gov/progorg/oig](http://www.hhs.gov/progorg/oig)).

“Major modifications have been made to the program in response to the needs of many honest providers trying to do the right thing,” Inspector General Brown said. “We have sought to address the providers’ concerns by removing disincentives to participation while at the same time emphasizing that providers have a legal and ethical duty to identify and correct incidents of non-compliance with program requirements.”

The OIG was represented in the Deborah settlement negotiations by William Heffron, Senior Counsel of the Office of Counsel to the Inspector General.